

MINUTES
PAGE COUNTY BOARD OF SUPERVISORS
REGULAR MEETING
AUGUST 17, 2010

Members Present: Johnny Woodward, Chairman, At Large
Robert Griffith, District 1
Larry Sours, District 2
J. D. Cave, District 3
Jeff Vaughan, District 5

Absent: Darrell Short, District 4

Staff Present: Amity Moler, Finance/HR Director
George Shanks, County Attorney
Wes Shifflett, Coordinator of Fire/Rescue Services
Michelle Somers, Zoning Administrator
C. R. Suddith, Treasurer
John Thomas, Sheriff
Lynda Minke, Solid Waste Facilities Manager
Regina Miller, Executive Secretary

Media & Others Present: 50 County Employees & Citizens
Kevin Seabrooke, *Page News & Courier*

Call to Order:

Chairman Johnny Woodward called to order the regular meeting of the Page County Board of Supervisors on August 17, 2010 at 6:00 p.m. in the Board of Supervisors Room, located in the Courthouse, noting a quorum was present.

Closed Session: 6:08 p.m.

Motion:

Supervisor Griffith moved that the Page County Board of Supervisors convene in closed session under the Virginia Freedom of Information Act to interview candidates for the Interim County Administrator position, pursuant to the personnel matters exemption at Section 2.2-3711(A)(1) of the Code of Virginia; and to consult with legal counsel on specific legal matters, where such matters require the provision of legal advice for the purpose of evaluating the proper legal position or action to be taken by the Page County Board of Supervisors on such matter, pursuant to Section 2.2-3711(A)(7) of the Code of Virginia. Supervisor Sours seconded and the motion carried by a vote of 4-0. Aye: Griffith, Sours, Cave, Woodward. Absent: Short, Vaughan.

Supervisor Vaughan arrived at 6:25 p.m.

Recess: The Board took a brief recess at 7:22 p.m.

Reconvene: Chairman Woodward reconvened the meeting at 7:25 p.m.

Exit Closed Session:

Supervisor Griffith moved the closed meeting be adjourned and the Page County Board of Supervisors reconvene in open session. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward. Absent: Short.

Certification of Closed Meeting:

To the best of my knowledge (i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711(A) of the Code of Virginia, 1950, as amended, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting.

| <u>Roll Call Vote:</u> | <u>Aye</u> | <u>Nay</u> | <u>Absent</u> | <u>Abstain</u> |
|------------------------|------------|------------|---------------|----------------|
| Robert Griffith | X | | | |
| Larry Sours | X | | | |
| J. D. Cave | X | | | |
| Darrell Short | | | X | |
| Jeff Vaughan | X | | | |
| Johnny Woodward | X | | | |

The Board then proceeded with the *Pledge of Allegiance* and a Moment of Silence.

Adoption of the Agenda:

Motion:

Supervisor Cave moved to approve the agenda. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

PUBLIC HEARINGS

Special Use Permit – Raymond Kite:

Chairman Woodward opened the public hearing on the special use permit for Raymond Kite at 7:29 p.m. Michelle Somers, Zoning Administrator, then read the public hearing notice as follows:

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Notice of Public Hearing
Page County Board of Supervisors
Special Use Permit Request

Notice is hereby given pursuant to Section 15.2-2204 of the Code of Virginia, as amended that the Page County Board of Supervisors shall hold a public hearing at 7:00 p.m. on August 17, 2010, in the General District Court Room, South Court Street, Suite B, Luray, VA, to receive public comments and to consider the following special use permit request by:

Mr. Raymond Kite, who owns a parcel of land located at 377 Piney Woods Rd., which is about 2 miles northwest of the Town of Stanley, VA, and is further identified by tax map number 61-A-39. The applicant is requesting a special use permit to operate a private gun club within an existing building, and that it be granted, as provided in Section 125-10D(1) of the Page County Zoning Ordinance on the above referenced property.

* * * * *

Mrs. Somers explained that the applicant is requesting a special use permit to operate a gun club within an existing building, which was formerly a poultry house. All activities associated with the gun club will take place between the hours of 8:00 a.m. and 6:00 p.m. Most times when the shooting is occurring, it will only involve a few of the club members. Several times a year the club will hold shooting competitions that will draw up to 150 people. These types of events are proposed to be limited to five within a year. The applicant, she said, has restricted the gun type to .22 rifles. Access to the property will be by means of an existing private entranceway on Piney Hill Road and VDOT is not requiring any upgrades to be made. The Health Department is requiring a porta-john to be onsite, she stated. The building official is requiring a change of use permit for the building, since it was originally built for agricultural purposes. As part of the change of use permit, safety upgrades will have to be made for compliance with the Virginia Building Code. Mrs. Somers pointed out that this issue originally came to the attention of the County through a complaint regarding the noise and hours of operation. After a site visit, staff is convinced that the noise is not an issue given the type of guns being used. In addition, the hours of operation listed in the conditions will resolve the other complaint. The Planning Commission recently recommended an ordinance, which promotes re-use of poultry houses for uses other than agriculture and this case is just another instance. Therefore, staff feels that this operation is in conformance with the standards of the 2009 Page County Comprehensive Plan. The Commission unanimously recommended approval of the permit with conditions.

Mr. Raymond Kite commented that the Planning Commission unanimously recommended approval of the permit. He said the gun club will benefit the County because these events are a national shoot, which attracts people from all over the country, who come here and seek lodging and meals for the events. Most of the people are well-respected NRA members and the club is nationally sanctioned.

Public Comments-

Lee McWhorter spoke in favor of the permit request. He said it is in conformity with the Comprehensive Plan as well as the ordinance the Board adopted to promote re-using poultry houses for uses other than agriculture. It does not make sense to leave these types of buildings empty.

With no further comments from speakers, Chairman Woodward closed the public hearing at 7:45 p.m.

Motion:

Supervisor Cave moved to approve the special use permit for Raymond Kite, with the conditions. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

* * * * *

Special Use Permit-Raymond Kite
Approved by the Page County Board of Supervisors
Tax Map #61-A-39

1. This special use permit is transferable and shall meet all requirements within the Page County Zoning Ordinance as well as any ordinance amendments for the period set forth within the parameters of this special use permit. The special use permit shall remain with the property for a period of thirty 30 years.
2. The club shall be in compliance with all County and State agency regulations.
3. Any change of use or expansion will require a new special use permit.
4. All gun club activities besides maintenance of the building, restroom use, and parking shall take place within building #2 as identified by the applicant's sketch plan.
5. The hours of operation for the club are 8:00 a.m. through 6:00 p.m.
6. Only .22 rimfire rifles are permitted to be fired at the club.
7. No retail sales, vendors, or alcoholic beverages are permitted within the building.
8. Children under the age of 18 shall be accompanied by an adult.
9. The gun club shall not be open to the public.
10. The club is permitted five (5) events a calendar year, only Friday through Sunday, in which no more than 150 people are permitted at any one time. An event shall be classified as any occurrence which generates more than 30 people on site at any one time.
11. The applicant shall maintain a service agreement to have the porta-john facility pumped in accordance with Health Department standards.
12. The Virginia Department of Transportation may require the entrance to be upgraded if safety, use, or maintenance of the existing entrance changes or traffic generation is more than what the applicant has projected.

13. This special use permit may be revoked upon material non-compliance with the terms of the permit or upon violation of any other relevant terms of the Zoning Ordinance. However, prior to the commencement of any action to revoke this permit, the County notify the permit holder in writing of the material non-compliance or violation and the permit holder shall have thirty (30) days thereafter to cure the material non-compliance or violation. The notice shall be deemed given when hand delivered to the permit holders or when mailed by certified mail, return receipt requested.
14. The Zoning Administrator or their designated representative may visit the site at any time to ensure compliance with the special use permit conditions. For safety purposes, the Zoning Administrator or their designated representative shall attempt to notify the permit holder prior to entering the building.

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Zoning Ordinance Amendment – Home Occupations:

EXHIBIT A

Chairman Woodward opened the public hearing on the zoning ordinance amendment for home occupations at 7:45 p.m. Michelle Somers, Zoning Administrator, then read the public hearing notice as follows:

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Notice of Public Hearing
Page County Board of Supervisors
Zoning Ordinance Amendment

NOTICE is hereby given pursuant to Section 15.2-2204 of the Code of Virginia, as amended that the Page County Board of Supervisors shall hold a public hearing at 7:00 p.m. on August 17, 2010, in the General District Court Room, South Court Street, Suite B, Luray, VA, to receive public comments and to consider the following:

Amendment to Section 125-15B(1)

The practice of a home occupation by the owner of a residence may be allowed in an accessory building incidental to the owner's residence located on the same tract or parcel of land, provided that the residence and accessory building shall have the direct access to a public street; and further provided that the use of the accessory building does not change the character thereof, nor exceed 60% of the footprint-ground floor square footage of the dwelling unit, or the occupation in the accessory building does not exceed 1,000 square feet, whichever is the lesser, or have any exterior evidence of such use as a home occupation other than a small name plate, as provided in § 125-20B(2)(a). ~~Any special use permit issued pursuant to this subsection shall expire upon the expiration of two years from the date of issuance of the permit, and the home occupation shall not continue unless there is further application for an issuance of a special use permit for the continued operation thereof.~~ The specific home occupation allowed by special use permit shall not be changed in purpose, nor allow for more than

~~one~~ three employees that does not reside in the residence on the same tract or parcel of land on which the business is located, during the term of the permit unless further application shall be made and approved for issuance of a special use permit. Home occupations pursuant to this subsection shall comply with the requirements of § 125-15A(1)(a) and (c) of this chapter and shall include but not be limited to the following Subsection B(1)(a) through (e).

* * * * *

Mrs. Somers explained that this amendment is pertaining to home occupations in accessory buildings by special use permit. The proposed changes within this portion of the ordinance is the deletion of the provision of the two-year expiration date for special use permits and changing the number of employees allowed to work in the home occupation from one to three and not requiring them to reside in the residence located on the property. By deleting this portion of the Code, it will allow for more flexibility for home occupations and promote small businesses. This change is in compliance with goal 6 of the Page County Comprehensive Plan to encourage and develop a diverse and viable local economy compatible with the County's rural character. The Planning Commission unanimously recommended approval.

Public Comments-

Lee McWhorter stated that this ordinance amendment is in compliance with the Comprehensive Plan. He asked the Board not to close the door on limiting the number employees allowed under home occupation provisions because the Board may want to increase the number of employees at a future date, as economic conditions change in the County.

With no further comments from speakers, Chairman Woodward closed the public hearing at 7:51 p.m.

Supervisor Vaughan commented that the County should be a free government that promotes economic development. He felt that the number of employees should not be limited to three. He asked the difference between businesses classified as a home occupation versus commercial, but Mrs. Somers was not sure of the definition that would differentiate between the two. He said he would like to get this defined regarding the limitation on the number of employees.

Motion:

Supervisor Vaughan moved to approve the zoning ordinance amendment, with further discussion in increasing the employee limitations from three. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Zoning Ordinance Amendment – Terraces, Patios, Porches:

EXHIBIT B

Chairman Woodward opened the public hearing on the zoning ordinance amendment regarding terraces, patios, and porches at 7:54 p.m. Michelle Somers, Zoning Administrator, then read the public hearing notice as follows:

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**NOTICE OF PUBLIC HEARING
PAGE COUNTY BOARD OF SUPERVISORS
ZONING ORDINANCE AMENDMENT**

NOTICE is hereby given pursuant to Section 15.2-2204 of the Code of Virginia, as amended that the PAGE COUNTY BOARD OF SUPERVISORS shall hold a public hearing at 7:00 p.m. on August 17, 2010, in the General District Court Room, South Court Street, Suite B, Luray, VA, to receive public comments and to consider the following:

* * * * *

Amendment to Section 125-14I(1)

~~Terraces, patios or open porches or unenclosed porches may project no more than five (5) feet into any yard setback. provided that such terraces, patios or open porches are unroofed or otherwise enclosed and are not closer than five feet to any adjacent lot line.~~

* * * * *

Mrs. Somers explained that currently within the Zoning Ordinance, decks without a roof, have a setback of only five (5) feet from adjacent property lines, while porches, with a roof, have a greater setback from property lines, such as those of a new home and addition. With the proposed change, decks and porches will have the same setbacks to prevent future problems. This will also allow the ordinance to be consistent when addressing porches and decks. By allowing porches and decks to extend five feet into their required setback, it will alleviate people from obtaining a variance because they do not meet their setbacks by a few feet. This change will allow the construction of a deck or porch and add a roof over it later, without any problems, because they will be the same distance. She mentioned that the Planning Commission unanimously recommended approval.

Public Comments~

Lee McWhorter stated that it makes sense to amend the ordinance.

With no further comments from speakers, Chairman Woodward closed the public hearing at 7:59 p.m.

Motion:

Supervisor Vaughan moved to approve the ordinance amendment. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Peddling & Soliciting Ordinance Amendments:

EXHIBIT C

Chairman Woodward opened the public hearing on the Peddling & Soliciting Ordinance amendment at 7:59 p.m. Mr. George Shanks, County Attorney, then read the public hearing notice as follows:

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NOTICE OF PUBLIC HEARING
BOARD OF SUPERVISORS
COUNTY OF PAGE, VIRGINIA
COMPREHENSIVE AMENDMENTS TO
CHAPTER 91 (PEDDLING AND SOLICITING)

PLEASE TAKE NOTICE: That the Board of Supervisors of the County of Page, Virginia shall hold a public hearing on Tuesday, August 17, 2010, at 7:00 p.m. in the Page County General District Court Room, 116 South Court Street, Luray, Virginia, for the purpose of consideration of comprehensive amendments to Chapter 91 (Peddling and Soliciting), Sections 91-1 through 91-9, Page County Code. The full text of the proposed Ordinance may be reviewed and inspected at the Page County Administrative Offices, 117 South Court Street, Luray, Virginia 22835.

The public is invited to attend this public hearing to express their views thereon.

The Notice is given pursuant to § 15.2-1427 of the Code of Virginia (1950), as amended.

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Mr. Shanks explained that he was contacted by Mr. Campbell, Commissioner of the Revenue, Mr. Suddith, Treasurer, and Sheriff Thomas to assist them in redrafting Chapter 91 of the County Code pertaining to peddling and soliciting. This provision of the Code was adopted with the original Code in February 1980, with amendments in 1988. An issue had arisen with respect to an application by an itinerant solicitor and the three constitutional officers expressed concern that our ordinance did not adequately address the protection of the public, with respect to the issuance of permits. He then drafted an ordinance and it was circulated between those three constitutional officers for review.

At this point, Chairman Woodward abstained from discussion during this hearing, because he is a salesman of home products. Mr. Shanks clarified that he would not

have a conflict of interest because this ordinance applies generally to all people in Mr. Woodward's circumstance. Vice Chairman Griffith then presided over the meeting.

Supervisor Cave remarked that the ordinance addresses church youth groups, but what about churches in general. Mr. Shanks read that Section 91-7(B) says "Members of any nonprofit civic or charitable organization who have an approved means of identification provided by such organization and who have provided a list of the names, addresses and ages of their soliciting members and a specimen copy of the approved means of identification issued by such organization to the Sheriff of Page County." If a church is going to send out its membership to canvas the community, they would need to provide the Sheriff with the list of individuals who are going to be doing the soliciting. This ordinance, he said, is designed to protect against fraud, not to inhibit legitimate, charitable solicitations.

Sheriff Thomas clarified that they tried to make the ordinance all inclusive to where it covers individuals coming into the County obtaining a peddlers license and going door to door. The individual will now have to go to the Treasurer's Office to complete the form for a peddler's license and pay the fee to include the cost of a criminal background check. The Sheriff's Office would perform the background check and would issue a photo identification card. The person would then have to go to the Commissioner of the Revenue's Office to obtain a business license.

Public Comments~

Lee McWhorter expressed concern with the definition of an itinerant merchant and said this would include crafters at the Heritage Festival or the Farmer's Market. There are a number of these types of merchants in the County. He felt there should be exemptions for people participating in a group activity or the itinerant merchant could be deleted from the ordinance altogether.

Mr. Shanks clarified that the descriptions of merchants are broad enough to cover sales anywhere in the County. There is a public safety component, and revenue component, involved in this ordinance.

With no further comments from speakers, Chairman Woodward closed the public hearing at 8:15 p.m.

Motion:

Supervisor Vaughan moved to approve the zoning ordinance amendment. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Chairman Woodward came back to the table and presided over the remainder of the meeting.

PUBLIC COMMENTS

Marshall Hobson addressed the Board regarding Shenandoah Rescue Squad. He talked about how the Squad Captain had treated members of the Shenandoah Town Council when they asked questions about the operation of the agency several years ago. He said that the Captain makes all the decisions for the Squad and as long as this person is part of the organization, it will never be healthy. If the County does not address this issue now it will happen again.

Doris Lansberry commented that she and two others visited the Frederick County Landfill. Their landfill is 90 acres and they take in 550-600 tons per day; however, they need 300 tons per day to break even. They charge \$45 per ton for commercial trash and \$42 per ton for construction debris. It costs them about \$36 to process the trash. County citizens receive 1,000 pounds of free trash at the landfill and anything over this they have to pay \$12 per ton. There are many people involved in the management of the landfill including staff, the Director of Public Works, a public works committee, and an oversight committee with citizen participation. She then reviewed the salaries of employees and ways they reduce costs. The landfill, she said, operates as an enterprise, meaning they are self-sufficient and do not rely on taxpayer money for their operations. The citizens, she said, are asking the Board to seriously consider the costs of operating the Battle Creek Landfill.

Barbara Coulter addressed the Board regarding the RFP for supplemental auditing services. Efficiency has to be ongoing in the County, but Page County can do a study without an outside firm. The Interim County Administrator should be given the task of finding savings within the County government. She said the County has yet to implement suggestions made by PBGH accounting firm in terms of internal controls, which would result in savings. She stated that she is troubled by the payment of a firm by means of an open-ended percentage of money saved. She asked the Board not to act hasty on an RFP for this service because she does not want to see the County share the savings.

Jo-Ann Smeltzer expressed that she was glad to hear that the Board wants to look at saving money but before proceeding with an RFP for the supplemental auditing services she encouraged them to wait for the County Administrator. She felt that the Board could setup a suggestion program for employees and cost out the savings and the employees could be given a percentage of the savings. Secondly, she commented that the County paid Springsted \$68,965.54, part of which was for developing the County's personnel manual. In the manual, it appears that only the County Administrator can authorize overtime and compensatory time. She then read a portion from the Compensatory Time Policy, "Comp time will be included on the bi-weekly timesheets and tracked by the Accounting Office. Comp time will generally be used within the same pay period earned. In no case shall comp time be used later than the immediate subsequent pay period from when it was earned." This is the Board's own policy, yet at a recent Board meeting it was told that there is an employee who has accumulated 500 hours of comp time. This is in violation of the County's own policy. Why do we keep

paying consultants to write policies, audits to be made and we continue to violate the policy or ignore their recommendation.

Keith Guzy addressed the topic of economic development and the jobs lost in the community during recent years. He said that Page County needs jobs now and we are the only county in the top half of the state that has a double-digit unemployment rate. He cited that at the recent meeting with Lieutenant Governor Bolling, he asked if Page County has an economic development plan in place and the response was that we do not; however, the County does have a plan and it is on the EDA's website. Next, he commented that it is disturbing that Chairman Woodward made repairs to the guttering and roofing in the County Office Building and then billed the County \$1,300. To his knowledge, proposals or bids were not solicited for the work. He said the Board has to be accountable for their actions, the same way they have held their employees accountable for their actions.

ACTION MATTERS

Resolution – Tax Revenue Anticipation Note:

EXHIBIT D

C. R. Suddith, Treasurer, presented the Resolution authorizing the issuance of a \$4,500,000 revenue anticipation note with SunTrust Bank. The Resolution, he said, was drafted by bond counsel for the Board's approval.

Motion:

Supervisor Cave moved to approve the Resolution, as drafted. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

WHSV TV Lease Agreement Extension:

Chairman Woodward presented the lease agreement extension, between the County and WHSV TV-3, for a new two-year period, commencing on August 1, 2010. He said there are no changes in the agreement from the previous one. This agreement is for the lease of tower space at the Big Mountain site, located in the George Washington National Forest, for emergency medical communication services.

Motion:

Supervisor Sours moved to approve the extension of the lease agreement with WHSV TV. Supervisor Vaughan seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Northwestern Community Services – FY 2011 Performance Contract:

Chairman Woodward presented the FY 2011 performance contract for Northwestern Community Services. This document reflects allocated Federal, State and local funds, and other reimbursements to be received in order to carry out the work of the Board of Directors, together with projected levels of care and treatment in FY 2011. He pointed out that listed in the local share contributions is Page County's allocation of \$60,435; however, \$71,100 is the amount that was actually included in the budget this fiscal year.

Motion:

Supervisor Sours moved to endorse the FY 2011 Northwestern Community Services performance contract, with the County's appropriation at \$71,100. Supervisor Griffith seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Maintenance Contract – Keith Bolyard:

Chairman Woodward explained that the County has had a maintenance contract with Keith Bolyard for mowing County property containing 5.794 acres at 136 River Road, Stanley. The contract has expired and Mr. Bolyard would like to renew the contract for another two-year period.

Motion:

Supervisor Cave moved to approve the renewal of the maintenance contract with Keith Bolyard. Supervisor Vaughan seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Request for Proposals – Supplemental Auditing Services:

Supervisor Cave indicated that, at the August 3rd work session, he presented a copy of an advertisement for a request for proposal for supplemental auditing services for the County of Cumberland, Virginia. He said there are companies who perform this type of work on a percentage basis, in most cases charging 10% of the savings. He felt this would be a good thing and a financial savings to the County, which we need. He suggested the County put out a RFP for this service and see if anyone responds. Regarding the suggestion made that employees can offer suggested savings, he noted that employees can do this anyway; however, the RFP would be looking for professionals who deal in this as their business.

Supervisor Vaughan said it would be fine to put out a proposal and see what responses are received but he expressed concern on the final negotiation with what the proposal entails and how they justify the value of savings and how they will want to be compensated. This is a task that should be directed to a County Administrator. He said he is not in favor of moving forward with this.

Motion:

Supervisor Cave moved to proceed with a request for proposal for supplemental auditing services. There was no second to the motion and the motion failed by a vote of 4-1. Aye: Cave. Nay: Griffith, Sours, Vaughan, Woodward.

School Board Waiver Request:

Chairman Woodward indicated that the School Board has requested a waiver on all building, electric, plumbing, and zoning fees for the construction of greenhouses at both high schools. The greenhouses will be built using funds from the Carl Perkins grant and not from County funds. He then asked if the Board wants to waive the fees.

Supervisor Vaughan expressed that he is not in favor of waiving fees for any organization or agency. The County departments have to rely these fees to support their department.

Supervisor Cave mentioned that the Board needs to have a harmonious relationship with the School Board and all departments. It is not a good idea to deny the request. The fees need to be waived.

Supervisor Sours said he understands both sides of the issue.

Motion:

Supervisor Cave moved to waive the building, electric, plumbing, and zoning fees for the School Board, as requested. Supervisor Sours seconded and the motion failed by a vote of 3-2. Aye: Sours, Cave. Nay: Griffith, Vaughan, Woodward.

Chairman Woodward indicated that he did not support this because the project is being paid from grant funds, not County funds.

Board and Commission Appointments:

Regina Miller, Executive Secretary, reviewed the Board and Commission appointments with the Board as follows:

Planning Commission:

Sandie Hammel has resigned as the District 5 representative on the Planning Commission. Another individual will need to be appointed to fill the unexpired term through January 11, 2013.

Supervisor Vaughan said he would like to defer this appointment because he is still trying to find an individual to serve.

Lord Fairfax Community College Board:

Dr. Cathy Glenn has resigned from the College Board. Another individual will need to be appointed to fill the unexpired term through June 30, 2012. Regular meetings of the Board are held during the months of August, October, December, February, April, and June at the Middletown or Fauquier Campus of the College.

Motion:

Supervisor Vaughan moved to appoint Bruce Short to the Lord Fairfax Community College Board representing Page County, for an unexpired term through June 30, 2012. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Massanutten Regional Library – Board of Directors:

The term of Ruth Rinker has expired. Since she has missed many of the meetings, the Board has asked that we appoint someone else for a three year term expiring on July 10, 2013. Nancy Krause has expressed an interest in serving. She has been an active

volunteer at the Stanley Community Library. The Supervisors can appoint Mrs. Krause or may appoint another individual.

Motion:

Supervisor Vaughan moved to appoint Nancy Krause to the Massanutten Regional Library Board of Directors for a three year term through July 10, 2013. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Board of Equalization:

Appointments will need to be made to the Board of Equalization prior to January 1, 2011. The Board will need to recommend appointees to the Circuit Court for appointment. In order to be eligible for appointment, each prospective member of such board shall attend and participate in the basic course of instruction given by the Department of Taxation. Pursuant to the Code of Virginia, the Board of Equalization shall be composed of not less than three or more than five members. Thirty percent of the members of the board shall be commercial or residential real estate appraisers, other real estate professionals, builders, developers, or legal or financial professionals, and at least one such member shall sit in all cases involving commercial, industrial or multi-family residential property, unless waived by the taxpayer. The term of the Board shall expire one year after the effective date of the assessment for which they were appointed.

Erroneous Assessment/Watson:

Mr. Shanks informed the Board that a rebate has been requested by the Commissioner of the Revenue in the amount of \$3,490.56 to Christopher W. Watson and Anne E. Watson for an erroneous assessment. He said this amount exceeds the amount for which the Treasurer has authorization to make refunds without Board approval.

Motion:

Supervisor Vaughan moved to approve the refund of \$3,490.56 for the erroneous assessment to Christopher W. and Anne E. Watson. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

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#10-23
RESOLUTION

WHEREAS, the Commissioner of the Revenue of Page County, Virginia has certified an erroneous assessment made by his office which exceeds the amount for which the Treasurer of Page County, Virginia may make refunds without Board approval, pursuant to the Resolution adopted by the Board of Supervisors of the County of Page, Virginia on September 19, 2006; and

WHEREAS, the County Attorney has consented to the certificate of the Commissioner that the assessment was erroneous, pursuant of § 58.1-3981(A), Code of Virginia (1950), as amended;

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PAGE, VIRGINIA, as follows:

That Treasurer of Page County, Virginia is directed to refund to Christopher W. Watson and Anne E. Watson the sum of \$3,490.56, plus abatement of any penalty and interest as provided by statute.

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CONSENT AGENDA

Motion:

Supervisor Sours moved to approve the consent agenda as follows:

- Financial reports for the period of July 1, 2010 through July 31, 2010;
- Accounts payable checks, payroll checks, payroll direct deposits, and payroll tax related electronic fund transfers totaling \$1,666,694.13;
- Minutes of June 29, 2010 and July 6, 2010.

Supervisor Vaughan seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

OLD BUSINESS

Property Maintenance Code/Town of Shenandoah:

Chairman Woodward indicated that he has discussed this with Mr. Kenny Fox, Building Code Official, and would like to have discussion on this by the Board.

Supervisor Vaughan remarked that this is necessary throughout the entire County. He recommended that the Board have the County Building Official along with the Town Council members of Luray, Shenandoah, and Stanley meet to come up with a property maintenance code the fits Page County. The Town of Shenandoah has some opportunities where they need the County's support. Without the code in place, they will be unable to perform their due diligence.

Mr. Shanks stated that there are people in Richmond who are familiar with this, but he has not had the opportunity to explore this with them. One of the concerns expressed by Mr. Fox was that the state law as is proposed to be adopted by the County would place the entire economic burden of these inspections on the County, without being reimbursed by the Towns. This, he said, would need to be explored further.

Supervisor Vaughan mentioned that, during the discussion the Board had with the Town of Shenandoah, the Town said they would incur the cost of the necessary inspection. When a code is adopted, this should be understood. The Town currently has some

unsafe issues and sites that need to either be removed or improved; however, they currently do not have the authority to do anything about it.

Motion:

Supervisor Vaughan moved to have Mr. Kenny Fox, Building Code Official, and the Town Council members of all three towns, meet and move forward to implement the property maintenance code to support the Town of Shenandoah. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Once this is complete, Supervisor Vaughan said he can come back to the Board with a report and final approval. Chairman Woodward appointed Supervisor Vaughan to Chair the committee.

NEW BUSINESS

Single Family/Builder Training – Habitat for Humanity:

Supervisor Cave informed the Board that there is a training session called Single Family Builder Training to be held at Luray High School on October 7, 2010 from 9:00 a.m. to 4:00 p.m. The registration fee is \$175.00 per person; however, Jim Newman, Chairman of the Building Committee and Vice President of Page County Habitat for Humanity, said they will waive the fee for the Supervisors. He said he plans to attend and would like to have one other Supervisor join him. The training pertains to learning techniques for building high performance homes, networking with other builders in our state, and other information concerning Habitat for Humanity.

SUPERVISORS TIME

Supervisor Griffith thanked everyone for attending the meeting.

Supervisor Sours also thanked everyone for attending.

Supervisor Cave thanked the citizens for attending and getting involved. He then addressed a few erroneous statements made during citizen's comment period. It was said that during the meeting at the VFW with Lieutenant Governor Bolling that citizens were not invited. This is not true. Citizens were invited and encouraged to attend. This was not a closed meeting. He then reported that he and Supervisor Short have arranged for a Town Hall meeting at the Stanley Fire Hall on September 14, 2010 at 7:00 p.m. He encouraged everyone to attend.

Supervisor Sours added that four EDA members were also in attendance at the meeting. The EDA was invited by Page County, but were not invited by the state and he does not know why.

Supervisor Vaughan thanked everyone for attending the meeting. The Board has a lot of opportunities before them and is moving in the right direction.

Chairman Woodward thanked everyone for attending the meeting. He clarified that at the meeting with the Lieutenant Governor he was asked if the County has a strategic economic development plan and he replied that we do not; however, he discovered after the meeting that the County does have a plan. The plan was forwarded to Lieutenant Governor Bolling, Delegate Todd Gilbert, and Senator Mark Obenshain. He noted that other information was also given tonight about him not following procedures, but they were followed for the recent repairs.

Closed Session: 9:39 p.m.

Motion:

Supervisor Griffith moved that the Page County Board of Supervisors convene in closed session under the Virginia Freedom of Information Act to discuss and consider employees in the Public Works Department relating to salary, pursuant to the personnel matters exemption at Section 2.2-3711(A)(1) of the Code of Virginia; to discuss and consider employees at the Animal Shelter relating to the assignment and performance, pursuant to the personnel matters exemption at Section 2.2-3711(A)(1) of the Code of Virginia; and to consult with legal counsel to solicit advice concerning contract rights and obligations, potential breach of contract liability exposure and negotiating positions, pursuant to the legal matters exemption at Section 2.2-3711(A)(7) of the Code of Virginia. Supervisor Vaughan seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward. Absent: Short, Vaughan.

Exit Closed Session: 11:57 p.m.

Supervisor Griffith moved the closed meeting be adjourned and the Page County Board of Supervisors reconvene in open session. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward. Absent: Short.

Certification of Closed Meeting:

To the best of my knowledge (i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711(A) of the Code of Virginia, 1950, as amended, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting.

| <u>Roll Call Vote:</u> | <u>Aye</u> | <u>Nay</u> | <u>Absent</u> | <u>Abstain</u> |
|------------------------|------------|------------|---------------|----------------|
| Robert Griffith | X | | | |
| Larry Sours | X | | | |
| J. D. Cave | X | | | |
| Darrell Short | | | X | |
| Jeff Vaughan | X | | | |
| Johnny Woodward | X | | | |

Action from Closed Session:

Appointment of Interim County Administrator:

Motion:

Supervisor Cave moved to offer William Rolfe the position of Interim County Administrator, at a rate of \$40 to \$45 per hour, under the terms and conditions enumerated during the interview. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Drug, Narcotics, and Alcohol Policy:

Motion:

Supervisor Vaughan moved to implement the Drug, Narcotics, and Alcohol Policy, effective immediately. Supervisor Cave seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Revision of Personnel Policy Manual:

Motion:

Supervisor Vaughan moved to proceed on corrective implementation of the employee handbook, involving an evaluation from legal counsel and bringing it back to the Board for approval. Supervisor Sours seconded and the motion carried by a vote of 5-0. Aye: Griffith, Sours, Cave, Vaughan, Woodward.

Adjourn: 12:00 a.m.

With no further business, Chairman Woodward adjourned the meeting.


Chairman

**AMENDMENT TO THE ZONING ORDINANCE
SECTION 125-15(B)(1)
HOME OCCUPATION REGULATIONS**

WHEREAS, by Ordinance duly adopted in September 14, 1989, and thereafter amended from time to time, the Board of Supervisors of the County of Page, Virginia, acting pursuant to the authority granted by Article 8, Chapter 1, Title 15.1 of the Code of Virginia (1950), as amended, [now Chapter 22, Title 15.2 of the Code of Virginia (1950), as amended], enacted Chapter 125 (Zoning) of the Code of the County of Page, Virginia; and

WHEREAS, such Ordinance is in full force and effect on the date hereof; and

WHEREAS, upon mature consideration and upon recommendation of the Page County Planning Commission, the Board has determined the advisability to further amend the Zoning Ordinance in furtherance of the public necessity, convenience, general welfare, and good zoning practice, pursuant to authorization set forth in Section 15.2-2286(A)(7) of the Code of Virginia (1950,) as amended, and Section 125-53 of the Code of Page County, Virginia;

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PAGE, VIRGINIA, as follows:

1. The Page County Zoning Ordinance, Section 125-15(B)(1) Home occupations in accessory buildings by special use permit, is amended by deleting the second sentence of that subsection, as follows:

~~Any special use permit issued pursuant to this subsection shall expire upon the expiration of two years from the date of issuance of the permit, and the home occupation shall not continue unless there is further application for an issuance of a special use permit for the continued operation thereof.~~

2. The third sentence of that subsection is amended by deleting the clause "more than one employee that does not reside in the residence" and substituting in its place "three employees" so that the sentence reads as follows:

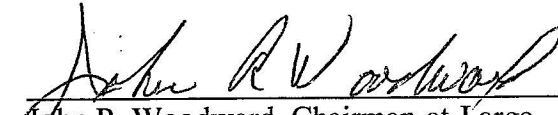
The specific home occupation allowed by special use permit shall not be changed in purpose, nor allow for more than three employees that do not reside in the residence on the same tract or parcel of land on which the business is located, during the term of the permit unless further application shall be made and approved for issuance of a special use permit.

This Ordinance shall be in full force and effect from and after the passage hereof as provided by Virginia law.


Dates of Notice Publication: July 29, 2010

August 5, 2010

Date of Adoption of Ordinance August 17, 2010


John R. Woodward, Chairman-at-Large
Board of Supervisors of the County of Page, Virginia

Attest:


Regina P. Miller, Clerk

CERTIFICATE OF VOTES

The undersigned Clerk of the Board of Supervisors of Page County, Virginia, hereby certifies that the foregoing Ordinance constitutes a true and correct copy thereof adopted by the Board of Supervisors at a regular meeting duly held and called on August 17, 2010. A record of the roll-call vote by the Board of Supervisors is as follows:

| NAME | AYE | NAY | ABSTAIN | ABSENT |
|-------------------------------------|-----|-----|---------|--------|
| John R. Woodward, Chairman-At-Large | X | | | |
| Robert E. Griffith | X | | | |
| Larry A. Sours | X | | | |
| J. D. Cave | X | | | |

| | | | | |
|--------------------|---|--|--|---|
| Darrell I. Short | | | | X |
| Jeffrey P. Vaughan | X | | | |

Dated: August 17, 2010

[SEAL]

Regina P. Mills
 Clerk, Board of Supervisors
 Page County, Virginia

**AMENDMENT TO THE ZONING ORDINANCE
SECTION 125-14I(1)
ADDITIONAL REGULATIONS FOR ALL DISTRICTS**

WHEREAS, by Ordinance duly adopted in September 14, 1989, and thereafter amended from time to time, the Board of Supervisors of the County of Page, Virginia, acting pursuant to the authority granted by Article 8, Chapter 1, Title 15.1 of the Code of Virginia (1950), as amended, [now Chapter 22, Title 15.2 of the Code of Virginia (1950), as amended], enacted Chapter 125 (Zoning) of the Code of the County of Page, Virginia; and

WHEREAS, such Ordinance is in full force and effect on the date hereof; and

WHEREAS, upon mature consideration and upon recommendation of the Page County Planning Commission, the Board has determined the advisability to further amend the Zoning Ordinance in furtherance of the public necessity, convenience, general welfare, and good zoning practice, pursuant to authorization set forth in Section 15.2-2286(A)(7) of the Code of Virginia (1950,) as amended, and Section 125-53 of the Code of Page County, Virginia;

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PAGE, VIRGINIA, as follows:

1. The Page County Zoning Ordinance, Section 125-14I(1) Projections into yards, is amended by deleting subsection 1 in its entirety and replacing in its stead the following:

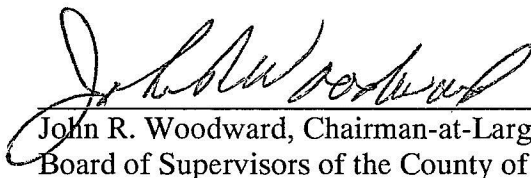
Terraces, patios or unenclosed porches may project no more than five (5) feet into any yard setback.

This Ordinance shall be in full force and effect from and after the passage hereof as provided by Virginia law.

Dates of Notice Publication: July 29, 2010

August 5, 2010

Date of Adoption of Ordinance August 17, 2010


John R. Woodward, Chairman-at-Large
Board of Supervisors of the County of Page, Virginia

Attest:

Regina P. Miller

Regina P. Miller, Clerk

CERTIFICATE OF VOTES

The undersigned Clerk of the Board of Supervisors of Page County, Virginia, hereby certifies that the foregoing Ordinance constitutes a true and correct copy thereof adopted by the Board of Supervisors at a regular meeting duly held and called on August 17, 2010. A record of the roll-call vote by the Board of Supervisors is as follows:

| NAME | AYE | NAY | ABSTAIN | ABSENT |
|-------------------------------------|-----|-----|---------|--------|
| John R. Woodward, Chairman-At-Large | X | | | |
| Robert E. Griffith | X | | | |
| Larry A. Sours | X | | | |
| J. D. Cave | X | | | |
| Darrell I. Short | | | | X |
| Jeffrey P. Vaughan | X | | | |

Dated: August 17, 2010.

[SEAL]

Regina P. Miller

Clerk, Board of Supervisors
Page County, Virginia

AN ORDINANCE TO AMEND CHAPTER 91 (PEDDLING AND SOLICITING)

WHEREAS, by Ordinance duly adopted on February 11, 1980, the Board of Supervisors of the County of Page, acting pursuant to the authority granted by law, adopted Chapter 91, Peddling and Soliciting, of the Page County Code; and

WHEREAS, such Ordinance is in full force and effect on the date hereof; and

WHEREAS, upon mature consideration, the Board has determined the advisability to further amend the ordinance;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PAGE, VIRGINIA THAT: Existing Chapter 91, Peddling and Soliciting, of the Page County Code be repealed and reenacted in its entirety, as follows:

ARTICLE I, Peddling, Soliciting, Itinerant Merchants and Direct Sales

§ 91-1. Definitions.

As used in this Article, the following terms shall have the meanings indicated:

PEDDLER - Any person who shall carry from place to place any goods, wares, merchandise or services and offer to sell or barter the same, or actually sell or barter the same, as the term is defined and used in § 58.1-3717, Code of Virginia (1950), as amended.

ITINERANT MERCHANT - Any person who engages in, does, or transacts any temporary or transient business in this county and who, for the purpose of carrying on such business, occupies any location for a period of less than one year, as the term is defined and used in § 58.1-3717, Code of Virginia (1950), as amended.

DIRECT SELLER - Any person who:

1. Engages in the trade or business of selling or soliciting the sale of consumer products primarily in private residences and maintains no public location for the conduct of such business; and
2. Receives remuneration for such activities, with substantially all of such remuneration being directly related to sales or other sales-oriented services, rather than to the number of hours worked; and
3. Performs such activities pursuant to a written contract between such person and the person for whom the activities are performed and such contract provides that such person will not be treated as an employee with respect to such activities for federal

tax purposes, as the term is defined and used in § 58.1-3719.1, Code of Virginia (1950), as amended.

RESIDENCE – The terms “residence”, “residences” and “residential premises” shall be given their usual meaning and shall include any structure which is designed for use for human habitation, including hotels, boardinghouses, lodging houses, tourist cabins, motels, inns, trailers, mobile homes and tourist homes.

Any terms or words not specifically defined shall have their usual and customary American English language meanings.

§ 91-2. Registration; information required.

All peddlers, itinerant merchants or direct sellers, engaged in “for profit” business activities, before engaging in any business activity or entering into or upon any residential premises within the county for the purpose of peddling, soliciting or selling anything, shall receive a permit application from the County Treasurer upon payment of the nonreturnable application fee to cover the costs of the investigation and the processing of the application.

A. The application form provided to the applicant by the Treasurer shall be completed by the applicant, who shall verify the accuracy of the information contained therein upon oath and under penalty of perjury, which shall include the following:

B. The name, local and permanent address, age, date of birth, social security account number, taxpayer identification number, race, weight, height, color of hair and eyes and any other distinguishing characteristics of each applicant.

C. The nature or purpose for which the business contacts will be made and the nature of the goods, wares, merchandise and services offered for sale and the geographical areas of the county in which solicitations will be made or goods, wares, merchandise and services will be offered.

D. The name and permanent address of the employer or organization represented, the taxpayer identification number of the employer, the legal status of the employer [corporation, partnership, proprietorship, LLC, etc. and the State issuing the certificate of fictitious existence], the chief executive officer of the business and his/her telephone number and address, if different from the named employer.

E. A statement as to whether the applicant has been convicted of any felony or misdemeanor or is on probation or under an order of deferred disposition without conviction, and, if so, the nature of the offense, the name and address of the prosecuting jurisdiction and the penalty or punishment assessed therefor.

F. Each individual engaging in such activities in Page County, whether actually going upon residential premises or operating a vehicle or riding in a vehicle conveying

such persons for these activities, must make application to the Treasurer in person and shall pay to the Treasurer the fees hereinafter provided before being given the application form.

G. Each applicant shall present the completed application to the Page County Sheriff's Department and shall permit a background check to be run on the applicant through the VCIN, NCIC and any other law enforcement database deemed necessary by the Sheriff or his designee. Each applicant shall also permit his fingerprints and a photograph of his likeness to be taken by the Sheriff.

§ 91-3. Issuance of permit.

Each applicant shall return to the Office of the Commissioner of the Revenue with the completed application, bearing the Sheriff's certificate of an unobjectionable background check, and upon completion of the business licensing application and payment of the permitting fees and business license taxes the Commissioner of the Revenue shall issue the requisite permits.

§ 91-4. Term of validity; display

A permit issued under this Article shall be valid for the remaining period of the calendar year in which the permit was issued. Any permit so issued by the county shall have a photograph of the solicitor on the permit and shall state the term of the validity of the permit, and the solicitor shall display such permit on his or her person in plain view at all times while engaged in soliciting and shall allow such permit to be inspected by any person if demand is made for such inspection while the person is engaged in soliciting.

§ 91-5. Fees.

Upon application, a nonreturnable fee, to be established by the Board of Supervisors from time to time by Resolution, shall be paid to the County Treasurer to cover the cost of investigation and processing of the application. An additional fee, to be established by the Board of Supervisors from time to time by Resolution, shall be paid to the Treasurer upon issuance of the permit.

§ 91-6. Prohibited acts.

No person shall:

A. Enter into or upon a residential premises in the county under false pretenses to peddle or solicit for any purpose or for the purpose of soliciting orders for the sale of goods, wares, merchandise or services.

B. Remain in or on any residential premises after the owner or occupant has requested any such person to leave.

appeal. Further appeals from adverse rulings of the Board of Supervisors shall be filed in the Circuit Court of Page County within thirty (30) days of the date of the adverse ruling.

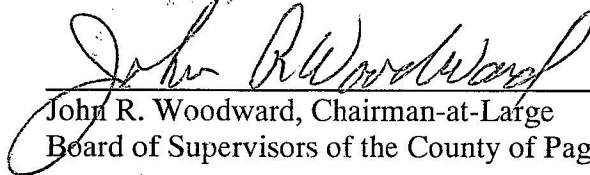
§ 91-9. Violations and penalties.

If any person violates any provision of this Article, such person shall be guilty of a Class 1 misdemeanor which shall be punishable by confinement in jail for not more than twelve (12) months and a fine of not more than Two Thousand Five Hundred Dollars (\$2,500.00), either or both. Each day that a violation continues to exist shall constitute a separate offense.


This Ordinance shall be in full force and effect from and after the passage hereof as provided by Virginia law.

Dates of Notice Publication: July 29, 2010
August 5, 2010

Date of Adoption of Ordinance August 17, 2010


John R. Woodward, Chairman-at-Large
Board of Supervisors of the County of Page, Virginia

Attest:


Clerk

CERTIFICATE OF VOTES

The undersigned Clerk of the Board of Supervisors of Page County, Virginia, hereby certifies that the foregoing Ordinance constitutes a true and correct copy thereof adopted by the Board of Supervisors at a regular meeting

duly held and called on August 17, 2010. A record of the roll-call vote by the Board of Supervisors is as follows:

| NAME | AYE | NAY | ABSTAIN | ABSENT |
|-------------------------------------|-----|-----|---------|--------|
| John R. Woodward, Chairman-At-Large | X | | | |
| Robert E. Griffith | X | | | |
| Larry A. Sours | X | | | |
| J. D. Cave | X | | | |
| Darrell I. Short | | | | X |
| Jeffrey P. Vaughan | X | | | |

Dated: August 17, 2010

[SEAL]

Regina P. Mill
Clerk, Board of Supervisors
Page County, Virginia

#10-24

**RESOLUTION AUTHORIZING THE ISSUANCE OF A \$4,500,000
PAGE COUNTY, VIRGINIA TAX-REVENUE ANTICIPATION NOTE,
SERIES 2010 (“BANK-QUALIFIED”), TO BE SOLD TO SUNTRUST BANK,
AND PROVIDING FOR THE FORM AND DETAILS THEREOF**

WHEREAS, the Board of Supervisors (the “Board”) of Page County, Virginia (the “County”), has determined that it is necessary and expedient to borrow on a short term basis the principal amount of \$4,500,000 and to issue its Tax-Revenue Anticipation Note, Series 2010 (“Bank-Qualified”), for the purpose of providing funds to meet deficits in the revenues of the County during the period ending June 30, 2011, such date constituting the maturity date of the Note (defined below), and such period between the date hereof and the maturity of the Note being in the current fiscal year ending June 30, 2011.

WHEREAS, in accordance with the requirements of Section 15.2-2629, Code of Virginia, 1950, as amended (the “Virginia Code”), the County is duly empowered and authorized to borrow money and to issue its \$4,500,000 Page County, Virginia Tax-Revenue Anticipation Note, Series 2010 (“Bank-Qualified”) (the “Note”) in anticipation of the collection of the taxes and revenues of the County for the current year, provided the principal amount thereof may not exceed the anticipated taxes and revenues for such year and such Note shall mature and be paid within one year from the date of issuance thereof.

WHEREAS, the County shall issue the Note pursuant to this Resolution in order to provide the County with funds for its anticipated expenditures during the ensuing year, to be repaid from the taxes and revenues expected to be collected during such period ending on June 30, 2011, the maturity date of the Note, all as recited above.

WHEREAS, the \$4,500,000 principal amount of the Note will not exceed the anticipated taxes and revenues for such period ending June 30, 2011; the Note will mature and be paid within one year from the date of issuance; and, there are no extensions of any note(s) of the County from prior years, all as provided by law.

WHEREAS, the County intends to utilize an exception from the rebate requirements of the Internal Revenue Code of 1986, as amended (the “IRC”), and, further, in order to effect debt service savings to the County, to designate the Note as a “qualified tax-exempt obligation” under IRC Section 265(b)(3) during the Calendar Year 2010, among other things.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF
PAGE COUNTY, VIRGINIA, as follows:**

1. **Authorization of Borrowing and Use of Proceeds; “Bank Qualified” Designation of Note.** The Board hereby determines that it is advisable to contract certain short-term debt as described herein, and to issue and sell the Note for the purpose of providing funds to meet deficits in the revenues of the County as described above. To such end, the Board hereby

authorizes the issuance and sale of the Note in the form and upon the terms established pursuant to this Resolution.

Further, the Board hereby designates the Note as a "qualified tax-exempt obligation" eligible for the exception from the disallowance of the deduction of interest by financial institutions allocable to the cost of carrying tax-exempt obligations within the meaning of IRC Section 265(b)(3). The Board does not reasonably anticipate that the County, the County's subordinate entities, and the entities which issue obligations on the County's behalf, will issue, in the aggregate, more than \$30,000,000 in tax-exempt obligations during Calendar Year 2010; further, the Board will not designate more than \$30,000,000 of qualified tax-exempt obligations in Calendar Year 2010, all such covenants being made in accordance with the County's reasonable expectations as to compliance with such liberalized "bank qualification" requirements of Section 265(b)(3)(G) of the IRC (which provisions were added by the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 355, enacted on February 17, 2009) regarding the \$30,000,000 limitations therein during Calendar Year 2010.

2. **Sale of the Note.** It is determined to be in the best interest of the County to accept the offer and terms of SunTrust Bank (the "**Bank**"), having business offices in Lynchburg, Virginia, to purchase, and the County to sell to the Bank, the Note at a price that shall equal par upon the terms established pursuant to this Resolution. The Chairman-at-Large and the County Treasurer, and such officer or officers of the County as any of them may designate, any one or more of whom may act, are each hereby authorized and directed to accept the provisions of the term sheet of the Bank that provide for a variable rate short-term borrowing by the County that shall be structured as a "draw-down" loan, and such terms are hereby approved, including the County's payment to the Bank of the \$4,500 Bank Fees as referenced therein. Attached hereto as **Exhibit A** is a copy of such term sheet of the Bank (referenced hereinafter as the "**Bank Letter Agreement**").

3. **Details of the Note.** The Note shall be issued in registered form and shall be structured as a "draw-down" loan; shall be dated the date of issuance and delivery thereof; shall be designated, "**\$4,500,000 Page County, Virginia Tax-Revenue Anticipation Note, Series 2010 ("Bank-Qualified")**"; shall bear interest thereon at a variable rate that shall be adjusted on the first calendar day of each month during the term thereunder and computed based upon seventy percent (70%) of the one month LIBOR (as defined below) plus one hundred seventy-five (175) basis points (all as set forth in the Bank Letter Agreement for the variable rate option); and, shall mature on or before June 30, 2011. Absent manifest error, the determinations by the Bank of the monthly variable rate of interest on the Note during the term thereof shall be conclusive.

For purposes of the Note, LIBOR will be the one month LIBOR established by the British Bankers Association as of 11:00 a.m. (London Time) on the first business day of each month as published by an on-line information service, such as Bloomberg Financial Markets News Services or any comparable reporting service selected by the Bank.

The monthly variable rate of interest on the Note, as described above, shall be computed by the Bank on an accrual basis of a 360-day year and paid for the actual number of days elapsed.

4. **Form of the Note.** For as long as the Bank is the registered owner of the Note, the Note shall be in the form of a single, temporary typewritten bond substantially in the form attached hereto as **Exhibit B.**

5. **Payment of the Note; Note Registrar and Paying Agent; Directions to County Treasurer.** The following provisions shall apply to the Note:

(a) Interest only on the Note shall be payable monthly, in arrears, on the 30th day of each month, beginning September 30, 2010 (except in the month of April, when the interest installment thereon shall be due on the last calendar day of the month of April), until the Note shall be paid, in full, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such date fixed for payment of interest.

(b) The entire principal of and accrued interest on the Note, if not sooner paid, shall be paid in immediately available funds to the Bank at or before 11:00 a.m. on or before maturity on June 30, 2011, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such date fixed for prepayment or redemption.

(c) All overdue payments of principal or interest shall bear interest at the applicable interest rate on the Note.

(d) The County Treasurer is hereby designated as Note Registrar and Paying Agent for the Note. Further, the County Treasurer is hereby authorized and directed to transfer all monthly interest installments on the Note to (or for the benefit of) the Bank as the same shall become due, from time to time, pursuant to the Bank's payment process and requirements, until all principal of and accrued interest the Note shall be paid by the County, in full, on or before June 30, 2011.

6. **Prepayment or Redemption.** The Note may be prepaid by the County, but only in whole, on any date on or before maturity on June 30, 2011, without premium or other penalty, upon prior notice to the Bank as provided therein, which notice may be waived.

7. **Execution of the Note.** The Chairman-at-Large is hereby authorized and directed to execute and deliver the Note; the Clerk of the Board shall attest such execution of the Note and shall affix the seal of the County thereto.

8. **Pledge of Taxes and Revenues for Current Year in Payment of the Note In Anticipation Thereof.** To the fullest extent permitted by Article VII, Section 10 of the Constitution of Virginia, and, further, Section 15.2-2629 of the Virginia Code and other relevant provisions of the Virginia Code and as otherwise provided by Virginia law, the County pledges, for the prompt payment of the principal of and the interest on the Note on or before maturity, the taxes and revenues of the County for the current year in anticipation of the collection thereof, in order to provide for the payment of the principal of and the interest on the Note as such principal and

interest shall become due upon maturity thereof, if not sooner paid as provided in the Note, to the extent other funds of the County are not otherwise lawfully available and appropriated for such purpose.

9. **Certificate as to Non-Arbitrage and Tax Compliance Agreement.** The Chairman-at-Large and the County Treasurer, any one or more of whom may act, and such other officer or officers of the County as any one of them may designate, are each hereby authorized and directed to execute a Certificate as to Non-Arbitrage and Tax Compliance Agreement, and further, any other certificates as to the County's use of proceeds of the Note, setting forth the use of the proceeds of the Note and containing such covenants as may be necessary in order to show compliance with the provisions of the IRC and applicable regulations relating to the exclusion from gross income of interest on the Note. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Note will be expended as set forth herein and described in such Certificate as to Arbitrage and Tax Compliance Agreement and any other certificates or instruments relating thereto, such that the County shall comply with the provisions of the IRC, including regulations thereunder, and further, as may be permitted under the Virginia Code, and that the County shall comply with such covenants and representations contained herein and therein, and (ii) the County shall comply with the provisions of the IRC so that interest on the Note will remain excludable from gross income for Federal income tax purposes.

10. **Additional Documentation; Other Tax Documents.** The Chairman-at-Large, the Clerk of the Board, the County Treasurer, and such other officer or officers of the County as any of them may designate, any one or more of whom may act, are each hereby authorized and directed to execute such additional documentation as may be advised by the County Attorney or Bond Counsel to the County, including but not limited to agreements, reports, questionnaires, certificates and any tax documentation, in order for the County to carry out the intent and purposes of this Resolution, and further, to set forth the expected use of the proceeds of the Note, such documentation to contain such covenants as may be necessary in order to show compliance with the provisions of the Virginia Code and the IRC, including applicable regulations thereunder relating to the exclusion from gross income of interest on the Note and any other matters or tax requirements in connection with the Note.

11. **Bank Letter Agreement and this Resolution Constitute Agreement With Bank.** It is the intent of this Resolution, together with the Bank Letter Agreement, among other things, to create a contract and agreement between the County and the Bank in connection with the sale of the Note and the purchase thereof by the Bank, including the terms and provisions of the loan from the Bank to the County represented thereby, and all provisions of the Bank Letter Agreement and this Resolution shall be construed accordingly.

12. **Filing of Resolution.** The appropriate officers or agents of the County are each hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of Page County, Virginia.

13. **Further Actions; Effective Date.** The Chairman-at-Large, the Clerk of the Board, the County Treasurer, and all officers, employees and agents of the County are each hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance, sale and award of the Note and any such actions previously taken in conformity with the provisions of this Resolution are hereby ratified and confirmed, in all respects.

14. **Resolution Effective Immediately.** This Resolution shall take effect immediately upon the approval hereof.

Date: August 17, 2010

[SEAL]

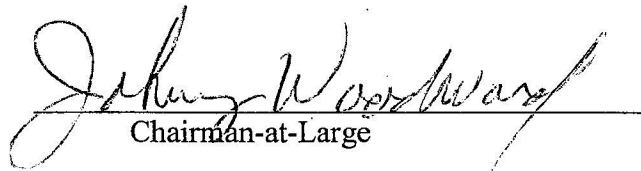

Chairman-at-Large

Exhibit A: Bank Letter Agreement
Exhibit B: Form of Specimen Note

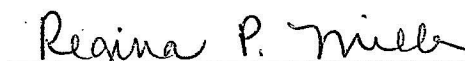
CERTIFICATE OF VOTES

The undersigned Clerk of the Board of Supervisors of Page County, Virginia, hereby certifies that the foregoing Resolution constitutes a true and correct copy thereof adopted by the Board at a duly held public meeting on the date hereof, and that the record of the roll-call vote by the Board is as follows:

| NAME | AYE | NAY | ABSTAIN | ABSENT |
|------------------------------------|-----|-----|---------|--------|
| Johnny Woodward, Chairman At-Large | ✓ | | | |
| Robert Griffith (District 1) | ✓ | | | |
| Larry A. Sours (District 2) | ✓ | | | |
| J. D. Cave (District 3) | ✓ | | | |
| Darrell Short (District 4) | | | | ✓ |
| Jeff Vaughan (District 5) | ✓ | | | |

Dated: August 17, 2010

[SEAL]


Clerk of Board of Supervisors
Page County, Virginia

Page County, Virginia
Proposed Terms and Conditions

Exhibit A

General Structure: Listed below is an indicative outline of the significant terms and conditions of the financing, subject to completion of due diligence and final credit approval by the Bank.

Borrower: Page County, Virginia (the "County")

Amount: Up to \$4,500,000

Facility:

- A) Tax Exempt, Bank Qualified Tax/Revenue Anticipation Note (the "Note"), or;
- B) Tax Exempt, Bank Qualified Tax/Revenue Anticipation Line of Credit (the "Note"),

Security: The Note will be a General Obligation of the County.

Purpose: To provide interim financing for the County's general capital needs.

Final Maturity: June 30, 2011

Interest Rate:

Fixed Rate - Tax Exempt Note

| | Current Rate |
|---|-----------------|
| A) Fixed Rate | *2.05% |
| B) Variable Rate - 70% of (1 month LIBOR plus 1.75%) | **1.45% |
| Upfront Costs | |
| Bank Fee | \$4,500 |
| Accrual basis shall be Actual/360 days | |

**This rate will be held through August 26, 2010.*

***This rate is an indication only. Actual rate will be set at closing and adjusted monthly thereafter based on the formula above.*

Interest Due:

- A) At maturity.
- B) Monthly, in arrears.

Amortization: None, prior to maturity. The Note will be paid down to zero prior to maturity.

Optional The County may prepay the Note at any time without

SUNTRUST BANK
July 26, 2010

Page County, Virginia
Proposed Terms and Conditions

Redemption: penalty.

Closing Date: To be determined upon acceptance.

Funding: A) The Note will be fully funded at closing.
B) Draws can be made as needed.

Documentation:

- Agreement between SunTrust and the County;
- General Obligation resolution passed by the County Board of Supervisors authorizing the proposed TAN/RAN transaction;
- Others as required by Bond Counsel.

Legal Fees and Transaction Costs: The County will pay all fees and expenses of the transaction including but not limited to reasonable fees and expenses of its counsel. In order to reduce the County's financing costs, SunTrust would not anticipate using outside Bank Counsel.

Legal Opinions: Bond Counsel will give the customary opinion as to authorization, validity, permits and other matters requested by the Bank. A satisfactory opinion of recognized bond counsel as to bank qualification and the exclusion of interest from gross income for Federal and State income taxes would be necessary at or prior to closing.

General Covenants:

- Timely payment of principal and interest as required by the Note;
- The County will provide written assurance that no material deterioration exists in the financial condition from that reported in Fiscal 2009 audited financial statements.

Acceptance of Proposal: Acceptance of SunTrust's proposal should be directed to any of the following.

Dennis Howard
(434) 847-2356

Tim Cecil
(804) 782-5219

Page County, Virginia
Proposed Terms and Conditions

Submitted By:

Dennis Howard
Senior Vice President
SunTrust Bank

Disclaimer

This Term sheet is presented to the above-referenced borrower in connection with a credit facility proposed by SunTrust Bank. This Term Sheet describes some of the basic terms proposed to be included in loan documents between the Bank and the borrower. This Term Sheet is for discussion purposes only and is not a commitment, nor does it purport to summarize all of the conditions, covenants, representations, warranties, events of default or other provisions that may be contained in documents required to consummate this financing. The terms are subject to standard credit underwriting and approval and to negotiation and execution of loan documents in form and substance satisfactory to the Bank and its counsel. This Term Sheet is confidential and may not be disclosed to third parties without prior consent of the Bank.

Exhibit B

R-1

\$4,500,000

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COUNTY OF PAGE

PAGE COUNTY, VIRGINIA

TAX-REVENUE ANTICIPATION NOTE

SERIES 2010 ("BANK-QUALIFIED")

Page County, Virginia (the "County") for value received, hereby acknowledges itself indebted and promises to pay to the order of SunTrust Bank, having business offices in Lynchburg, Virginia (the "Bank"), as registered owner hereof, the principal sum equal to the amount of principal advances shown on the Certificate of Principal Advances attached hereto (the "Certificate"), but not to exceed the sum of FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000) and to pay the registered owner hereof interest on the unpaid principal hereof pursuant to terms and conditions set forth herein.

Monthly installments of interest on this Note, based upon the aggregate amount of principal advances as shown on the Certificate and computed as described below, shall be payable, in arrears, on the 30th day of each month, beginning September 30, 2010, and continuing thereafter on the 30th day of each month (except in the month of April, when the interest installment hereon shall be due on the last calendar day of the month of April), until this Note shall be paid, in full. The entire principal of and accrued interest on this Note, if not sooner paid, shall be payable by the County on June 30, 2011.

The rate of interest ("Tax-Exempt Rate") to be borne on this Note shall be a variable rate and shall be computed based upon seventy percent (70%) of the one month LIBOR (defined below) plus one hundred seventy-five (175) basis points. The Bank shall determine such Tax-Exempt Rate hereon, and, absent manifest error, such determinations by the Bank shall be conclusive. For purposes of this Note, LIBOR will be the one month LIBOR established by the British Bankers Association as of 11:00 a.m. (London Time) on the first business day of each month as published by an on-line information service, such as Bloomberg Financial Markets News Services or any comparable reporting service selected by the Bank. Adjustments to the Tax-Exempt Rate on this Note shall be effective as of the first calendar day of the month.

In all cases, the Tax-Exempt Rate on this Note shall be computed by the Bank on an accrual basis of a 360-day year and paid for the actual number of days elapsed.

Both principal of and interest on the Note are payable in lawful money of the United States of America by wire (or other credit) transfer sent to the Bank as registered owner of the Note.

If any installment payment date hereunder shall not be a business day for Virginia banks or for the Commonwealth of Virginia, then such installment shall be due and payable at or before 11:00 a.m. on the business day next preceding such date fixed for payment, and if made on such date no additional interest shall accrue for the period after such date of payment. All overdue payments of interest on this Note (or the principal of and interest on this Note) shall bear interest at the applicable Tax-Exempt Rate on this Note.

The Note may be prepaid prior to maturity, at any time, but only in whole, on any date on or before maturity on June 30, 2011, without premium or other penalty, upon ten (10) days' prior notice thereof to the Bank, which notice may be waived.

The proceeds of this Note will be used by the County to provide funds for its anticipated expenditures during the ensuing year, to be repaid from the taxes and revenues expected to be collected during such period ending on June 30, 2011, such date being the maturity date hereof.

This Note is being issued pursuant to the Virginia Constitution and the statutes of the Commonwealth of Virginia, and has been authorized by a Resolution duly adopted by the Board of Supervisors of the County on August 17, 2010 (the "Resolution"), authorizing and approving the issuance, sale and delivery of this Note, all in specific accordance with Article VII, Section 10 of the Virginia Constitution and Section 15.2-2629 of the Code of Virginia, of 1950, as amended, among other relevant provisions of law. Accordingly, as provided in the Resolution, the County hereby pledges to the payment of principal and interest on this Note the taxes and revenues of the County for the current year, such pledge being made in anticipation of the collection thereof by the County. Further, as recited the Resolution, the principal amount of this Note does not exceed the anticipated taxes and other revenues of the County for the current year, all in accordance with law.

Further, pursuant to the Resolution, the County has designated this Note as a "qualified tax-exempt obligation" pursuant to the terms and provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "IRC"), such designation being made in accordance with the County's reasonable expectations as to compliance with the liberalized "bank qualification" requirements of Section 265(b)(3)(G) of the IRC (which provisions were added by the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 355, enacted on February 17, 2009) regarding the \$30,000,000 limitations therein during Calendar Year 2010.

The Tax-Exempt Rate shall be subject to adjustment as set forth in the following paragraphs:

- A. The Tax-Exempt Rate on this Note is subject to increase or decrease as provided herein. So long as no event of taxability has occurred, if at any time, or from time to time, there is an increase or decrease in the maximum federal marginal income tax rate applicable to the Bank, then the Tax-Exempt Rate shall be increased or decreased, effective as of the effective date of the increase or decrease in such maximum federal marginal income tax rate, to the tax equivalent yield on this Note multiplied by the difference between one (1) and the new federal marginal income tax rate (expressed as a decimal). If there shall be any change in the federal income tax laws, by statute or regulation, or in the interpretation thereof the effect of which is to increase the Bank's cost of holding the Note (e.g., a change in Section 265 of the IRC), by the complete or partial disallowance of a deduction or otherwise, the County shall reimburse the Bank for such increase in cost plus the additional federal and state income taxes which the Bank will incur by reason of including the reimbursement in its income. The Bank's good faith estimate of such increase and such additional taxes absent clear and manifest error shall be determinative of the amount payable by the County as provided herein. Such amount shall be payable with respect to each taxable year of the Bank and shall be paid within thirty (30) days after the later of (i) the Bank's notification to the County of the amount payable with respect to such taxable year, and (ii) the last day of such taxable year. For purposes of this paragraph, the failure of the Note to be a qualified tax-exempt obligation (as defined in Section 265(b)(3) of the IRC) shall be deemed to be such a change in the federal income tax laws.
- B. From and after an event of taxability, in addition to the Tax-Exempt Rate hereon, as set forth above, the County shall pay to the Bank, supplemental interest hereon such that the interest hereon is equal to the corresponding taxable conventional rate of interest to be equivalent to the Tax-Exempt Rate stated herein. Accordingly, the term "interest" as used herein, shall include such supplemental interest, to the extent payable, if at all. Supplemental interest accruing prior to a determination of taxability shall be immediately due and payable on the date of such determination of taxability. Supplemental interest accruing thereafter shall be payable at the same time, together with any regularly scheduled monthly installments of interest hereunder, at the same time and in the same manner.
- C. Additionally, the Bank hereof shall be paid a supplemental payment equal to the amount required to be paid by the County to reimburse the Bank for any interest, penalties or other charges assessed by reason of failure to include interest on this Note in the Bank's federal gross income (hereinafter "Unpaid Tax Penalties"). The County shall make payments of supplemental interest and Unpaid Tax Penalties to each person who presents written proof satisfactory to the County that on or after the event of taxability, such person was a Bank. It is expressly intended that to the extent interest received on this Note may become subject to federal income taxation as a result of a determination of taxability, the supplemental interest and Unpaid Tax Penalties which would have been payable to the Bank hereof but for the payment hereof shall continue, notwithstanding such payment, as an obligation of the County.
- D. The Bank by its acceptance hereof shall agree, if requested by the County, to have an attorney-in-fact, qualified to practice before the Internal Revenue Service, designated by the County for the purpose of appealing or challenging any determination of taxability,

provided the County, to the extent permitted by law, shall provide indemnity or other assurance reasonably satisfactory to the Bank to indemnify or otherwise save it harmless against any additional tax liability, penalties or interest that may result from any such appeal and agrees to pay legal fees and costs incurred in prosecuting such appeal including all reasonable legal fees and costs. In the event a final judgment or order shall have been entered within ninety (90) days of the determination of taxability finding that no event of taxability has occurred, the Bank shall reimburse to the County all supplemental interest which has been paid hereon, and no additional supplemental interest shall be payable unless and until an event of taxability shall subsequently occur. Notwithstanding anything herein to the contrary, the right of the County to challenge any determination of taxability shall terminate if no such final judgment or order shall have been entered within ninety (90) days after the occurrence of the determination of taxability, unless the Bank shall otherwise agree, and after the expiration of such ninety (90) day period without the entry of a final judgment or order, the Bank may exercise its right to call the Note in full, in which case the County shall prepay the Note in full. In addition, unless the County shall otherwise provide reasonable indemnification of other acceptable assurance to the Bank, the right of the County to challenge any determination of taxability shall terminate if the exercise of such right would cause any tax return of the Bank to be inaccurate or would delay the timely filing thereof or would in the Bank's opinion result in an adverse impact on its tax returns.

The intent of the foregoing provisions is to fix for the Bank hereof a yield on this Note equal at all times to the yield receivable under tax law, regulations and interpretations existing as of the date of original issue of this Note which yield has been used in determining the Tax-Exempt Rate on this Note, and, further, to impose on the County the obligation to pay supplemental interest in an amount necessary to compensate the Bank hereof if the interest hereon is not excluded from gross income, or is not exempt from the alternative minimum tax imposed on corporations and taxpayers other than corporation, or the deduction for "cost of carry" as described herein is not available under Section 265 of the IRC. Such provisions should be construed accordingly.

This Note is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26 of Title 15.2, Code of Virginia, 1950, as amended, and the terms and provisions of the Resolution.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Note have happened, exist and have been performed in due time, form and manner as so required, and this Note, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, Page County, Virginia, has caused this Note to be executed in the name of Page County, Virginia, to be signed by the Chairman-at-Large, its seal to be affixed hereto and attested by the signature of its Clerk of the Board of Supervisors, and this Note to be dated August 20, 2010.

PAGE COUNTY, VIRGINIA

[SEAL]

By _____
Chairman At-Large

Attest:

By: _____
Clerk of Board of Supervisors
Page County, Virginia

CERTIFICATE OF PRINCIPAL ADVANCES

The amount and date of principal advances not to exceed the face amount hereof, shall be entered hereon by an authorized officer of SunTrust Bank, when the proceeds of such principal advances are delivered to Page County, Virginia, upon due requisition therefore, from time to time.

AmountDate

Authorized Signature

10-15-77

MILLER, EARLE & SHANKS, PLLC

Attorneys and Counsellors at Law

NATHAN H. MILLER
J. BURNS EARLE, III
GEORGE WARREN SHANKS

136 General Drive, Suite 200
Post Office Box 246
Luray, Virginia 22835
Telephone: (540) 743-4511
Facsimile: (540) 743-3591
E-Mail: thefirm@harrisonburglaw.com

HARRISONBURG OFFICE
560 Neff Avenue, Suite 200
Harrisonburg, Virginia 22801
Telephone: (540) 564-1555

LINDA D. ELLIOTT
MICHAEL W. HELM

August 20, 2010

Page County, Virginia
117 South Court Street
Luray, Virginia 22835

SunTrust Bank
1010 Main Street
P. O. Box 201
Lynchburg, Virginia 24505

BotkinRose, PLC
3210 Peoples Drive
Harrisonburg, Virginia 22801

Re: \$4,500,000 Page County, Virginia Tax-Revenue Anticipation Note,
Series 2010 ("Bank-Qualified")

Ladies and Gentlemen:

I am the County Attorney for Page County, Virginia (the "County") and in such capacity I am authorized to render the opinions herein provided. I am familiar with the provisions to the Constitution and laws of the Commonwealth of Virginia, including but not limited to (i) Article VII, Section 10 of the Constitution, (ii) the Public Finance Act, Chapter 26 (the "Act"), Title 15.2 of the Code of Virginia of 1950, as amended (the "Virginia Code"), and (iii) the provisions as set forth in Title 15.2 of the Virginia Code regarding open public meetings of the Board of Supervisors of the County all as are relevant to rendering this opinion.

I have reviewed (i) an Authorizing Resolution duly adopted on August 17, 2010 (the "Authorizing Resolution") by the Board of Supervisors of the County (the "Board") regarding the issuance by the County of its \$4,500,000 Tax-Revenue Anticipation Note, Series 2010 ("Bank-Qualified") (the "Note"), among other things, (ii) the terms of the letter agreement of SunTrust Bank (the "Bank"), dated July 26, 2010, providing for the purchase of the Note by the

Bank (the "Bank Letter Agreement"), and (iii) the terms of the Note. The Authorizing Resolution, the Bank Letter Agreement, and the other documents executed and delivered on the date hereof by the County, including the Certificate as to Nonarbitrage and Tax Compliance Agreement, are collectively referred to hereinafter as the "Documents."

As to questions of material fact to my opinion, I have relied upon representations of the County contained in certificates by representatives of the County. I have assumed that all signatures other than the officers of the County on documents, certificates and instruments examined by me are genuine, and that all documents, certificates and instruments submitted to me as originals are authentic and all copies conform to the originals. In addition, I have further assumed the due organization, existence, and authorization of parties other than the County.

Based on the foregoing, as of the date hereof, subject to qualifications contained herein, I am of the opinion that:

1. The County is a political subdivision of the Commonwealth of Virginia duly created and validly existing under the laws thereof and is authorized to (i) execute and deliver the Note and the Documents in connection therewith, (ii) issue, sell and deliver the Note, and (iii) consummate the transactions contemplated by, and perform its obligations under, the Note and the Documents in connection therewith. The members of the Board and the County officials identified in the various certificates being delivered on the date hereof have been duly elected or appointed, as the case may be, and have qualified to serve in such capacity.

2. The County has taken all necessary action required to duly authorize the issuance and sale of the Note. The Authorizing Resolution in connection with the issuance of the Note has been duly adopted and is in full force and effect as of the date hereof in the form adopted.


3. The Note constitutes a short-term, draw-down loan obligation issued by the County in anticipation of its collection of taxes and revenues for the period during the term thereof, all as described therein. The Note and the Documents have been duly authorized, executed and delivered and are valid and binding obligations of the County, enforceable in accordance with their terms, except as such enforceability may be limited by the laws relating to bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and by usual equity principles that may limit the specific enforcement of certain remedies but that do not affect the validity of such Note or the Documents.

4. The County has full power and authority to approve, execute and deliver the Note and the Documents in connection therewith. The adoption of the Authorizing Resolution and the execution, delivery and due performance by the County of the transactions contemplated

thereunder, will not, to the best of my knowledge, violate any indenture or other agreement or instrument to which the County is a party or by which it or its properties are or may be bound.

5. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best of my knowledge, threatened against the County, or is there any basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by the Authorizing Resolution, (ii) the validity or enforceability of the Note or any agreement or instrument to which the County is a party, or (iii) the title of any officials of the County executing the Note or any of the Documents in connection therewith. Further, no litigation or administrative action of any kind is pending or, to the best of my knowledge after due investigation, threatened to restrain or enjoin the issuance, sale or delivery of the Note or the levy and collection of taxes and revenues to pay the principal of and interest on the Note as provided therein, contest or challenge the due adoption of any official action by the Board in connection with the Note or the Documents or otherwise affect, contest or challenge the validity of the same or in any manner question the proceedings and authority under which the Note is issued and the Documents are executed and delivered, or otherwise affect the existence of the County or contest in any way its authority to finance a portion of the County's working capital expenses with the proceeds of the Note.

My services as County Attorney have been limited to rendering the foregoing opinions based on my review of such legal proceedings as I deem necessary to make the statements contained herein and to approve the validity of the Note and the Documents in connection therewith. I have not been engaged and have not undertaken to review the accuracy, completeness or sufficiency of any financial information relating to the Note and, therefore, I express no opinion as to the accuracy or completeness of any information that may have been relied upon by the purchaser of the Note. This opinion is given as of the date hereof and I assume no obligation to update or revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to my attention or any changes in law that may hereafter occur.



George Shanks, County Attorney
Page County, Virginia